Daily Report

Latin America

FBIS-LAT-87-233
Friday
4 December 1987

Daily Report
Latin America

FBIS-LAT-87-233 *4 December 1987*

CONTENTS

CARIBBEAN

Cuba

Radio Comments on U.S. Presence in Haiti 1
Angolan Ambassador on Soviet, Cuban Presence 1
Radio Reloj Comments 2
FDR Leaders' Return to El Salvador Viewed 2
Officials Meet With Soviet, Indian Leaders 4

Dominican Republic

Haitian Border Area Described as Calm 4

Haiti

30 Nov Armed Forces Report on Violence 4
Government Denies Report on Jail Massacre *[AFP]* 5
Further on Romelus, Aristide Statements 6

Trinidad and Tobago

Observers on Haitian, Surinamese Elections 6

CENTRAL AMERICA

Costa Rica

Little Economic Growth Expected in 1987 *[LA REPUBLICA 24 Nov]* 8

El Salvador

Zamora Comments on Democratic Merger 8
Viera Replaces Rey Prendes as Minister 9

Guatemala

Cerezo, Duarte Meet, Discuss Esquipulas II 9

Honduras

Azcona Welcomes Group of 8 Plan for Region 10
PNH Asks Members To Leave Government Posts 10

Nicaragua

Obando y Bravo Requests Cease-Fire Declaration *[AFP]* 11
Government Responds to Honduran Proposal *[San Pedro Sula LA PRENSA 1 Dec]* 11
Vice President Discusses Arias Peace Plan *[San Jose]* 11
164 Contras 'Wiped Out' in Pantasma Fighting 11

Panama

Foreign Ministry Orders AID To Leave *[MATUTINO 3 Dec]* 12
Legislator Questions Decision 12
Aleman Boyd on Executive Branch Disrespect 14
Planning Minister on Economic Situation *[LA REPUBLICA DOMINICAL 29 Nov]* 14

SOUTH AMERICA

Argentina

Party Leaders Analyze Document on Falklands 16
Vice President Martinez Leaves for Montevideo 16
Tucuman Chooses Justicialist as Governor *[BUENOS AIRES HERALD 3 Dec]* 16
Briefs 17
Support for Central America 17

Bolivia

Bedregal Discusses Cuba's Admission to OAS 17
PCR Embassy Denies Arms Smuggling Charges *[EFE]* 17
Government Authorizes Foreign Debt Purchase *[EL DIARIO 14 Nov]* 18
Government, Jobless Miners Begin Talks 18
COB Views 3 December Stoppage as Successful 19
Minister Reports on Clandestine Airfields *[EFE]* 19

Brazil

Sarney Denies Resignation, Dismissal Rumors *[O GLOBO 3 Dec]* 19
President Speaks at Dedication of Space Lab 19
Company To Sell War Materiel to Nicaragua *[EFE]* 20
Accord Reached To Finance Interest Payments 21

Chile

Ministry Denounces U.S. Senate Proposal 21
State of Emergency Extended Another 90 Days 21
Pinochet Speaks on Need for Strong Government *[EL MERCURIO 27 Nov]* 21
Government Junta Approves 1988 Budget *[EL MERCURIO 25 Nov]* 22
More on Release of Lieutenant Colonel Carreno 22
Reports on Asylum Denied 22
Arrives in Santiago *[EFE]* 23
Government Issues Communique 23
Junta Member Merino Cited 24

Colombia

Border Development Plan With Venezuela *[DPA]* 24
Pardo Leal Killers Reportedly in California 24
Prosecutor Terms Ochoa Arrest 'Illegal' 24

Uruguay

Sanguinetti Reports on Acapulco Summit *[EFE]* 24
PIT-CNT Disapproves of New Defense Minister *[LA HORA 27 Nov]* 25

Suriname

Front Leaders To Discuss Brunswijk Issue 25
Brunswijk Gang Members Released From Prison 25
Elected Military Authorities Discussed 25

Cuba

Radio Comments on U.S. Presence in Haiti

FL032112 Havana Radio Rebelde Network in Spanish 1800 GMT 3 Dec 87

[Text] The Cuban Movement for Peace and Sovereignty of Peoples [MPSP] has urged the international community to prevent U.S. armed intervention in Haiti. The MPSP also accused the National Government Council [CNG], headed by General Henri Namphy, of trying to crush the Haitian people's aspiration for freedom and democracy. At the same time, it urges all the progressive forces of the world to condemn the crimes of Haiti's elitist regime, such as the ones committed last Sunday which led to the suspension of the presidential elections.

Meanwhile, Sylvio Claude, the Democratic Christian presidential candidate, demanded the immediate resignation of the CNG. He also emphasized that a general strike and a massive civil disobedience campaign will be declared if those who are in power do not relinquish it. The Autonomous Central of Haitian Workers [CATH] and prominent opposition leaders joined Claude in his demand, pointing out it was the peoples' movement that made it possible to end the Duvalierist dictatorship in February 1986.

According to a U.S. Embassy spokesperson in Port-au-Prince, U.S. officials have already been evacuated from Haiti and the same measure could extend to American citizens living there. Regional political observers have indicated that in the past evacuation has been a prelude to U.S. armed invasions like the one which took place in Grenada in 1983. They also recalled that Elliott Abrams, assistant secretary for inter-American affairs, a rabid anti-Sandinist and warmonger, alluded to the possibility of sending the Marines to Haiti in his declarations to the press this Tuesday.

Angolan Ambassador on Soviet, Cuban Presence

FL201454 Havana Television Service in Spanish 0100 GMT 20 Nov 87

[Passages within quotation marks recorded]

[Text] Among the most important activities held on the last day of the 15th Congress of the International Union of Students were the demonstrations of solidarity and support for the just struggle carried out by the Angolan people against the constant aggression of the UNITA [National Union for the Total Independence of Angola] forces and the South African regime.

Angolan Ambassador to Cuba Manuel Pedro Pacavira granted a news conference to the journalists and delegates attending the congress.

[Pacavira, in Spanish] "The talks held between Angolan and U.S. representatives are based on the premise that the United States would persuade South Africa to give up its policy of aggression and respect the decisions of the United Nations, as well as be willing to participate in the (?arrangement). Nevertheless, the reality of the matter is entirely different. The increased military aggression of the past few weeks in southern and southeastern Angola demonstrates the opposite."

Pacavira later described the role of Cuban troops and Soviet military advisors in Angolan territory.

[Pacavira] "Everyone knows there are Soviet military advisers in Angola but no troops.

"Yes, there are Cuban internationalist troops in Angola but they are not there to fight against the UNITA counterrevolutionary bands. They are there to prevent a South African invasion, which has always been a latent threat. This has been and is the role of the Cuban internationalist soldiers.

"For 2 years now, tens of thousands of Cuban combatants, along with their Angolan brothers, have prevented the repetition of the racist invasion of 1975 when South African troops got as far as 200 km from Luanda. It was at this time, when Angola was invaded from the south and the north and a mortal danger was hovering over the new republic, that Agostinho Neto requested the solidarity and presence of Cuban troops

"Why do the Pretoria government's spokesmen say the Cuban and Soviet presence is increasing? Why are they making the unusual revelation of their incredible lack of respect for all norms of international law by reporting the presence of Mr Pieter Botha and his ministers in Angolan territory?

"There are several reasons. One of them is that, currently, they have suffered the greatest losses in terms of men—white men, of course, since the racists do not count the dead blacks even though they are soldiers recruited by force to serve in their Army—and they have suffered the greatest material losses since they were expelled from Angolan territory by the combined actions of Angolans and Cubans in March 1976.

"Their distorted mentality does not allow them to accept the fact that black people are capable of confronting [words indistinct] and come up with clumsy lies.

"Another reason is that the white community in South Africa no longer thinks as a single individual, a single racist. The constant and growing resistance of the oppressed people of South Africa has caused a breakup. The crack in the homogeneity of racist ideas and actions that characterized their always prepotent and arrogant policy of force can already be seen in the circles of power and even within the government itself.

"In order to justify their dead to the white community, they are resorting to the inconceivable decision of confessing the presence of Botha along with his troops in Angola. How far will the racists go if the world fails to condemn and sanction them as they deserve? "

He then demonstrated there have been no clashes between the Cuban troops fulfilling an internationalist mission in Angola and UNITA forces.

[Pacavira] "If it were true that the racist troops had clashed with the Cuban internationalist forces, the several dozen casualties they publicly admit would have to be 10 times higher, and the scandal in Pretoria and Johannesburg would have made the racist militarists reconsider their position."

Lastly, Pacavira asked all the delegates to the student congress for solidarity with the struggle waged by his people and all peoples of the world who seek freedom.

[Pacavira] "Angola demands from the international community, including this international student congress, the most forceful condemnation of the shameful regime of apartheid, of its terrorist policy against the independent countries of the region, and asks for the broadest solidarity for the patriots of the South-West African Peoples' Organization and the African National Congress who fight for the just rights of their peoples."

Radio Reloj Comments

FL200057 Havana Radio Reloj Network in Spanish 2122 GMT 19 Nov 87

[Text] During a special speech at the 15th Congress of the International Union of Students [UIS], Angolan Ambassador to Cuba Manuel Pedro Pacavira said that South African aggression against his country has been increasing with the assistance of the United States. He said that the United States provides political, economic, and military aid to the Angolan counterrevolutionaries, thus mocking UN Resolution 435.

The Angolan people and the people's movement for the liberation of his country desire peace, Pacavira said, and they call on all international organizations to unite in solidarity for the independence of Namibia.

The presence of Cubans in Agostinho Neto's fatherland would not be necessary, the ambassador added, if South Africa would withdraw from Angola, end the conflict in that region, and allow Namibia's independence.

Pacavira said his country renewed negotiations with the United States to end the war provided South Africa ends its attacks but this has not occurred. The Angolan diplomat said his country is constantly attacked by South Africa and proof of this is the massacre that occurred in Cassinga, the attacks in the Cunene and Huila Provinces, air attacks against Cangamba, and other incursions in southeastern Angola in support of the UNITA [National Union for the Total Independence of Angola] forces. As a result, he said, the Angolan people haven't had a moment's peace from the bloody war that has cost more than 50,000 lives, thousands of injuries, and the loss of $2 billion.

South Africa justifies its actions under the false premise that they are defending the UNITA from a Cuban offensive and they use this excuse to persue the SWAPO [South-West African People's Organization] patriots, he said.

Pacavira said that if you put an end to the apartheid regime, you will remove forever the principal cause of all the illnesses that create misery, pain, and death in southern Africa.

He said that Angola will not renounce its principles and will construct a society that wants peace and national reconstruction but not at the expense of renouncing Angola's solidarity with Namibian patriots.

If the racist regime of Pretoria receives aid from the U.S. imperialists and other Western countries, the ambassador added, Angola has the right to request assistance from nations throughout the world.

Neto's fatherland wants peace, Pacavira said, but Angola will never renounce its principles.

FDR Leaders' Return to El Salvador Viewed

PA031530 Havana International Service in Spanish 1600 GMT 30 Nov 87

["Topics Feature—weekly meeting with Radio Havana commentators," with Nestor Nunez and Amalia Sanmartino]

[Text] [Nunez] FDR President Guillermo Ungo, Hugo Navarrete, Hector Oquell, and Ruben Zamora returned to El Salvador a few days ago. In other words, the top FDR leaders are in El Salvador to promote a democratic opening in their country according to the Esquipulas II agreements, which call for a dialogue with the opposition.

[Sanmartino] This visit by the FDR leaders is not risk-free. Although all governments signed the Esquipulas agreements, not all of them have fully complied with the agreements. In El Salvador, the opposition is still being persecuted; the lives of those who do not agree with the Duarte regime are not guaranteed. In other words, these leaders are taking a very big risk. However, they adopted this decision because they want to contact all sectors interested in finding a political solution to the 7-year armed conflict in that Central American nation. I feel these leaders' return is much more important in view of the responsibility they now have.

[Nunez] That is right. Shortly before the FDR leaders returned to their fatherland, Herbert Anaya—president of the Salvadoran Human Rights Commission—was murdered. That caused quite a commotion. There continue to be more murders. Since Esquipulas II was signed, there has been a flareup of political crimes in El Salvador by the paramilitary groups the government is allowing to operate freely. This is evidently part of the counterinsurgency program the United States is applying in El Salvador.

We all know this program combines demagoguery in the political field with devastation in the military field; in other words, extermination. There is the notion the best revolutionary is a dead revolutionary.

[Sanmartino] By the way, Nestor, it seems to me that just a few days ago we were talking about a very special situation in El Salvador. I was watching President Duarte on a television program showing some documents. He was again referring—during this very significant moment in Central American and Salvadoran history—to the death of Msgr Oscar Arnulfo Romero.

[Nunez] To his murder in 1980?

[Sanmartino] Precisely, to the bishop's murder. Duarte showed some documents that blamed D'Aubuisson, something everyone clearly knows. I do not know why; actually, I know why, but it just struck my attention why this topic is being revived at this time.

[Nunez] Yes, we talked about that the other day. I feel this implies he is trying to create a campaign around an event that took place 7 years ago. Everyone knows who was responsible for this brutal murder. The Salvadoran Government is reviving this murder, which created a commotion, to create a smokescreen to cover the significance of the FDR leaders' return to El Salvador. We have been noticing this, and we have mentioned it.

Ungo, Zamora, and the other FDR leaders' arrival was reported at first. Then suddenly, the capitalist news agencies completely forgot about the presence of these leaders in El Salvador. In other words, this historic step has been set aside. Now, much coverage is given to the murder of Oscar Arnulfo Romero and about D'Aubuisson. D'Aubuisson does not have any problems in El Salvador for two reasons: He is a neofascist, and he has parliamentary immunity. We must not forget he is a congressman for ARENA [Nationalist Republican Alliance], the ultrarightist party. Therefore, because of his immunity, he cannot be brought to trial.

The government is also talking about the extradition of the man who allegedly carried out the attack, a military man who now lives in the United States. I cannot remember his name now. This commotion is being created now when the FDR and the Salvadoran patriotic forces are exerting political pressure with their presence in El Salvador, talking with all the individuals—as you said—who want democracy and peace.

There is also something else that is very important. The government tries to continue probing that issue that is as clear as it will ever be. The death squads, led by D'Aubuisson, are responsible for the death of Msgr Oscar Arnulfo Romero. However, nothing has been done to solve the recent murder of Herbert Anaya. In addition, it took place at a time when the Esquipulas II agreements were going to be enforced and peace should have been the goal. Nothing has been done about the Anaya murder.

Going back to what you were saying. There is an attempt to cast a veil of silence on the activities of these revolutionary leaders. That really strikes my attention, particularly because they have received death threats.

FDR Vice President Ruben Zamora warned they had received telephone calls saying if they continued with their peace efforts, they would be murdered when they left the television station where they were speaking. Therefore, it is a very serious situation. We only hope they will be able to complete their task.

[Nunez] Of course. I think it is noteworthy to point out how the Salvadoran patriotic and revolutionary forces have managed to take the greatest political advantage of Equipulas II. The situation is completely different in Nicaragua. The international community first tried to identify the Salvadoran guerrillas—the Salvadoran patriotic forces—with the counterrevolutionary groups that are attacking Nicaragua. Everyone knows these are mercenary forces financed by the United States. They are, in fact, an army at the service of a foreign power.

This was brought out into the open by Nicaragua's strong moral position to not participate in a direct dialogue with these groups. International public opinion recognizes the Salvadoran guerrillas as a true people's army that controls certain areas of the territory. This has to be taken into consideration when finding any solution to the Salvadoran situation. The guerrillas have become stronger in recent days, and I believe the presence of these FDR leaders in El Salvador confirms that the Salvadoran revolutionary forces are a strong bloc that can influence the future of the smallest Central American nation.

[Sanmartino] That is why I repeat what I said a few minutes ago about the death threats against the leaders. The journalists protected them when they left the television station. We know the Salvadoran people will support the efforts of the FDR leaders.

Officials Meet With Soviet, Indian Leaders

FL040051 Havana Radio Rebelde Network in Spanish 0000 GMT 4 Dec 87

[Text] Flavio Bravo, president of the National Assembly of the People's Government [ANPP], has received in Havana Aleksandr Aleksandrovich Mokanu, deputy chairman of the USSR Supreme Soviet Presidium. The two officials held talks in a friendly atmosphere.

For his part, Isidoro Malmierca, Cuban foreign minister, received Eduardo Faleiro, Indian minister of state for external affairs, with whom he discussed bilateral relations and international affairs.

Dominican Republic

Haitian Border Area Described as Calm

FL031702 Santo Domingo Radio Mil Network in Spanish 1100 GMT 3 Dec 87

[Passages within quotation marks recorded]

[Text] The Dominican Armed Forces characterized as calm the situation prevailing on the border with Haiti after violent acts shook the neighboring country. Lieutenant General [rank as heard] Antonio Imbert Barreras, chief of the Armed Forces, said at the National Palace that border servicemen have not been confined to barracks, as previously reported.

[Imbert] "None of those measures have been taken. Everything is calm. You know that we communicate and we talk from one side to the other and everything there is calm, at least on the border area. Apparently the situation is (?difficult) and I believe they are planning to hold a general strike."

The chief of the military explained that, although the border is closed, any Dominican and non-Haitian foreigner can enter the country after submitting proper identification.

[Imbert] "Our ambassador to Haiti, General Oscar Pavilla Medrano, is here; he came yesterday and [words indistinct] but we no longer have reports of Dominicans who want to come. The order given on the border is that any Dominican who is in Haitian territory and wants to come to the country can enter freely."

Haiti

30 Nov Armed Forces Report on Violence

FL032142 Port-au-Prince Radio Nationale in Creole 1400 GMT 3 Dec 87

[Text] A report here from the General Headquarters of the Haitian Armed Forces, dated 30 November 1987 speaks of the events that occurred in the Port-au-Prince metropolitan area on Sunday, 29 November 1987. The report also mentions the incidents that took place in the country between Saturday and Sunday, 28 and 29 November 1987.

First of all, for the Port-au-Prince metropolitan area: On Sunday, 29 November 1987, at approximately 0200, a fire of unknown origin destroyed the transmitting station of Radio Soleil and also an unidentified vehicle. This occurred in Duvivier.

On the same day, at 0200, an unidentified vehicle opened fire on the military outpost at Portail Saint Joseph. The soldiers shot back. There were no victims.

At approximately 0300, two simultaneous fires destroyed the Communal Electoral Office on Chemin des Dalles and the headquarters of the Federation of Syndicated Workers [FOS] on Rue des Miracles.

At approximately 0400 a fire started at the Esso gas station at the Corner of Lalue [another name for the main road leading from Port-au-Prince to Petionville] and Ruelle Berne. The fire department was able to put out the fire.

At 0835 the barracks in Petionville were fired at by persons in an unidentified vehicle. The guards shot back. There were no victims.

At the same time, in the vicinity of Delmas (?38), an unidentified person died behind the wheel of his vehicle. Whoever killed him made off with the vehicle.

On Ruelle Vaillant, at approximately 0845, armed individuals fired on the population in front of a polling station. General panic ensued and 15 people died and some (?20) others were wounded.

During the night, the city was shaken by shooting from automatic weapons and by a series of big explosions. The damages caused by this shooting and the explosions in the capital have not as yet been assessed. The police made some arrests on that same day.

Military department of the South: In Les Cayes, several unidentified persons in a white vehicle fired some rounds in town. When the security forces responded, these persons fled along the road heading for Port-au-Prince.

At approximately 0900, a group of individuals armed with Uzi machineguns in a green vehicle fired in the air in front of several polling places and made off with several ballot boxes.

In Port-a-Piment, the headquarters of the Communal Electoral Office [BEC] and everything inside was set on fire. The justice of the peace was called and the legal formalities complied with.

In Aquin, several armed, unidentified individuals set fire during the night to the BEC house and everything inside it. The justice of the peace was called in and the legal formalities were complied with.

Military department of the Northwest: No voting was possible anywhere in the Department of the Northwest because materials were not available, according to Mr Herard Louis, (?BED) president for that area.

Military department of the Northeast: On the night of 29 November, in Ouanaminthe and in Ferrier, houses were stoned left and right, particularly the headquarters of the BED [Departmental Electoral Office] and the BEC.

In Fort Liberte and Trou du Nord, tracts reading "Down with the Provisional Electoral Council!" [CEP] had been sown all over the streets, and certain instructions, which also said "Down with the CEP!" had been pasted on buildings. There was no voting in those areas.

Military department of the West: In Petit Goave at approximately 0600, a crowd of approximately 500 persons overran the BEC and carted off all the materials. The same thing occurred in Grand Goave and in Leogane.

Military department of the Center: At Cerca La Source, there were several shots fired at approximately 0200, and unidentified persons set fire to the BEC.

Military department of the Artibonite: In Gonaives, several barricades were erected on the national highway that runs north-south through town. Several boxes of ballots in the BED were set on fire. The windows of several vehicles belonging to the CEP were smashed; several other vehicles parked in town suffered the same fate. The clinic belonging to Lieutenant (Hubert Pierre-Louis), who is the departmental inspector, was riddled with bullets. The windows of the vehicle belonging to the discharged adjudant of the Haitian Armed Forces, Pierre Noel, were trashed. A patrol sent to the scene was shot at with heavy weapons and stoned with big rocks by agitators who fled. Enlisted men (Faustin Joslie), (Paul Jamison), (Fabien Francois Pelleton), all from the tactical unit, were wounded by big rocks during the incident. At approximately 1030, members of Conacom [National Committee of the Congress of Democratic Movements] were caught redhanded transporting ballots for the Concerted Action Front.

In Petite Riviere de l'Artibonite, on the evening of 28 November, there were several unidentified persons who took refuge in the area's Catholic Church. They shot at the barracks. A squad of soldiers from the district of Saint-Marc were dispatched to the scene. (Faber Grandpierre) was shot and died instantly. (Icar Delva) and (Marc Fleurrisaint) were wounded. They were taken to the hospital in (Deschappelles).

In Deluge, the residence of rural police agent (Levelt Michel) of the Haitian Armed Forces was set on fire. An unidentified man was burned alive. An assistant rural police agent was decapitated.

In Freycinau, foreign journalists filming a barricade were attacked by unidentified individuals. Their cameras were smashed. The people who did this yelled: The Communists will not get elected! Long live the Army! Long live Dessalines' nation! Long live Generals Henri Namphy and Regala!

In Borel, a truck carrying a squad of enlisted men was set on fire. The same people also stoned the truck with big rocks.

In Saint-Marc, individuals armed with machetes fought among themselves, attacking one another with the machetes. Two communist flags were hoisted: one over the prefecture and the other over the Court of Conciliation. The justice of the peace took note of this.

In the military department of the North, during a meeting with the representatives of all the candidates held at the BED on the night of 28 November, the BED president decided to cancel the elections in the North because the ballots for certain candidates had not been received.

In the military department of Grande Anse, in Jeremie, on 28 November, a number of ballots was found in the possession of certain persons in town.

The report is signed by Carl Michel Nicolas.

Government Denies Report on Jail Massacre

PA031616 Paris AFP in Spanish 1503 GMT 3 Dec 87

[Text] Port-au-Prince, 3 Dec (AFP)—The Haitian Ministry of Information and Coordination categorically denied today a news report stating that the Haitian Army had massacred 46 people at the Fort Dimanche military jail over the weekend.

The ministry told AFP that Fort Dimanche Commander Captain Isidoro Pognon had described the news report as "absurd" and was shocked when he learned "that a U.S. paper was able to publish such a report with such carelessness."

Citing a witness, the San Francisco paper *Examiner* reported today that 46 people arrested at Carrefour-Feuille neighborhood in Port-au-Prince had been summarily killed at the Fort Dimanche military jail over the weekend.

Further on Romelus, Aristide Statements

FL031742 Port-au-Prince Radio Metropole in French 1145 GMT 3 Dec 87

[Excerpts] Two spokemen of the committed church in Haiti, Msgr Willy Romelus and Father Jean Bertrand Aristide, yesterday demanded that the National Government Council [CNG] step down. They also called on the population to refuse to participate in any elections that the CNG might organize. [passage omitted]

[Begin Romelus recording] What should we conclude about what happened—particularly on 27, 28, and especially 29 November? Who is responsible for the massacres of 29 November 1987 in front of the polling stations? The Provisional Electoral Council [CEP] or the CNG? Who violated the Constitution? The CEP or the CNG? Who should be removed? The CEP or the CNG? I don't think it will be difficult to answer these questions.

When we said uproot your cassava plants and clear off the land—which means you can't ask the cat to watch the canary—it was because we were certain that elections were impossible under these leaders.

What have we seen? The fusion of a tripartite force: the CNG, the macoute sector of the Armed Forces—with the (?non-macoute) elements of the Army not reacting—and the Duvalierists,the actual so-called macoutes. And all this against the people.

On Sunday, 29 November 1987, the population in Port-au-Prince and provincial towns went to the polls to fulfill its civic duty. People with no sense of the fatherland fired on them—killing, wounding, dispersing.

The communiques issued said that only members of the Armed Forces may carry firearms and that the Ministry of Interior and National Defense is capable of guaranteeing security. That is what was shouted from the rooftops.

Who is responsible for the massacres of 29 November 1987?

The CEP, out of patriotic sentiment, was forced to call off the balloting and to postpone the elections until a later date. Everyone can understand such a decision—a decision rendered imperative by the respect for the right to life that the CEP cultivates.

On that same 29 November 1987, the CNG dissolved the CEP by means of a communique, and later added a supplement saying it is not that the CEP has been dissolved, but rather that its members have been removed. Who confers the right to do this on the CNG? That communique is null and void. [end recording] [passage omitted]

For his part, in an interview with foreign journalists, Father Jean Bertrand Aristide has called for a true revolution in the country and preached active nonviolence. Nevertheless, he did not exclude resorting to the use of weapons during a later phase. Asked about the repression this might unleash, Father Aristide answered one cannot make an omelette without breaking eggs. He also very vehemently implicated the complicity of U.S. imperialism, which, by supporting the CNG, is willing to massacre the people through the CNG.

Aristide said: Elections are not possible under the current criminal government. He accused the government of wanting to hold fraudulent elections in order to have a macoute in power. Father Aristide said he considered the Haitian people to be now in the first phase, where it is a matter of sharpening their self-awareness as a proletarian class.

Father Aristide said: We have already heard several people speak of weapons. Unfortunately, we don't have any. Perhaps, in a second phase, the people will decide to take up arms. It is not up to me to say whether or not it should do so or when. Jesus himself encouraged his disciples to take up the sword to defend themselves, when he said Let those who have no sword sell their cloaks in order to procure one for themselves.

Father Aristide, who has been in hiding at friends' homes for several days now, also said that if anyone came seeking to murder him, he would not hesitate to take a machete or a revolver and kill the person out of love for the impoverished masses, who need me, just as I need them.

Trinidad and Tobago

Observers on Haitian, Surinamese Elections

FL031921 Bridgetown CANA in English 1615 GMT 3 Dec 87

[Text] Bridgetown, Barbados, Dec 3, CANA—Trinidadian lawyer Frank Solomon, who headed a three-member Caribbean Rights observer mission to Haiti for the November 29 elections, has called on all Caribbean and other foreign governments to deny recognition to the ruling National Governing Council to "protest the coup d'etat it performed against the Haitian electorate."

Solomon, a former high court judge and ex-president of the Trinidad Bar Association, told Caribbean Rights in a preliminary report: "...the CNG must be held directly responsible for the massacre of voters and the wholesale destruction of polling stations on November 29, events that forced the Provisional Electoral Council (CEP) to cancel the elections." He said regional and international opinion must be mobilised to expose the illegality of the

Namphy regime's decision to disband the electoral council. It has absolutely no authority to do so. Only the Provisional Electoral Council has any legitimacy to conduct elections in Haiti, according to the popularly approved Constitution.

Solomon, along with the Belgian Roman Catholic Bishop Jan Cauwelaert, representing Pax Christi International and Kenneth Roth, deputy director of the America's Watch Committee, comprised the three-member Caribbean Rights observer team for the November 29 elections. Caribbean Rights is the regional body for six national human rights association in the Caribbean. A comprehensive report is currently being prepared for regional and international distribution by Caribbean Rights, according to a press statement.

Solomon said it was an act of deception to make a distinction between the notorious Ton Ton Macoutes and the military led by (Lt. Gen Henri) Namphy. "They are simply interchangeable," he said. "In the circumstances," he added, "the international community has an obligation to listen carefully to the voices within Haiti, to the representatives of the CEP and other representative institutions and organisations before exercising any initiative."

Solomon said the Namphy junta has absolutely no credibility; and should be treated as "a usurper of the constitutional rights of the Haitian people to return the country to constitutional government." Solomon was in Haiti from November 26 to December 1.

In contrast to the tragic situation in Haiti, said Caribbean Rights in its press statement, the people of Suriname were allowed by the military to peacefully and freely elect a new government, according to a preliminary report it has received from another observer mission.

Senior lecturer of the University of the West Indies (Cave Hill Campus) Dr Neville Duncan, a well-known regional political commentator, headed the Caribbean Rights team that observed the Suriname elections on November 25. The other members of the team were Guyanese trade union leader and human rights activist, Gordon Todd, and American law professor, Robert Goldman of the Americas Watch committee.

Dr Duncan said the Suriname elections were scrupulously free and fair, and could be a model for other Caribbean and Latin American countries. The observer team, he said, had the full co-operation of all the parties and the administration headed by Commander Desi Bouterse.

Costa Rica

Little Economic Growth Expected in 1987

PA031755 San Jose LA REPUBLICA in Spanish 24 Nov 87 p 2

[Unattributed article]

[Text] The government should implement a monetary and tax policy that will prevent unscheduled issuances [emisiones inorganicas] if it wants to keep inflation at a manageable level, although it is expected that by the end of the current year the general price index will be higher than in 1986.

This perception is shared by the Planning Ministry and the country's most prestigious economic consultants, Economic and Financial Consultants [Consultores Economicos y Financieros—CEFSA], Economic and Legal Consultants [Consultores Economicos y Legales—Counsel], and the Costa Rican stock market.

The expected level of inflation will approach 17 percent by the end of 1987, while the GNP, in real terms, will be lower than it was in 1986. The GNP growth rate will barely reach 3 percent. The figures constitute the forecast for 1987.

What is proving worrisome for many local economists is that while the GNP will not surpass 3 percent, population growth is approaching 2.5 percent. A comparison of the two figures leads to the conclusion that our country barely produces enough to compensate for its population growth. In other words, the national economy is not expected to show significant growth in 1987.

Nevertheless, in the final trimester of the year prices are expected to decrease if the government implements an austerity policy in its spending.

A restrictive monetary and credit policy such as the one being implemented will control price increases that could result from the tax crisis; increased internal demand, which has increased during the past few years; and international prices that are unfavorable for the economy, including an increase in fuel prices and a decline in coffee prices.

El Salvador

Zamora Comments on Democratic Merger

PA032248 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 2 Dec 87

[Report by Oscar Benancio]

[Text] FDR Vice President Dr Ruben Zamora has again reiterated that the recently established Democratic Merger, made up of the Social Democratic, National Revolutionary Movement, and Popular Social Christian Movement Parties, has become a political instrument by which the parties involved wish to contribute to resolving the country's basic problems.

Zamora said the creation of the Democratic Merger is a first step in an effort to be carried out with all national groups so Salvadorans can find a solution to their problems. The leftist political leader added that the Democratic Merger has four basic objectives, among which he mentioned the achievement of a negotiated political solution to the conflict, the implementation of a social and economic development program for the majority of the country's population, the establishment in El Salvador of a democracy that respects the rights to political organization and of expression, and, finally, a search for ways to recover the nation's sovereignty. On these subjects, Zamora said:

[Begin recording] [Zamora] We believe we must make our own decisions among Salvadorans instead of depending on what others decide for us.

[Benancio] I believe you recently said there is no democracy in El Salvador but simply a political opening. If this is the case, if there is no democracy, just a political opening, how do you think your group will be able to carry out its political programs in the future given the resurgence of the death squads and a number of other situations in the country?

[Zamora] That is exactly why we have said there is no democracy in El Salvador but just a political opening. We said so because there continue to be human rights abuses in this country, and death squads still exist.

Now, we are determined to change this political opening into a real democratic process in El Salvador, and we are struggling to achieve this. It is not easy. We have encountered strong opposition to this, but we believe if we Salvadorans unite and organize to demand what we are entitled to—democracy—we will be able to achieve this. No one is going to give democracy to Salvadorans as a gift. Unless we ourselves forge it through our effort we will not achieve it.

[Benancio] I also understand your group had said that you would work toward a joint participation in the electoral process and that you would consider future conditions. To what extent do you believe you would be able to participate; in other words, how do you think the government could agree to this in the present circumstances?

[Zamora] Look, as to whether or not we will participate in the elections, it is something the Democratic Merger has been discussing in the past few days. If we decide to participate we are not going to go to the government to ask permission, just as we did not ask the government's permission to return here. We believe that all Salvadorans have the right to be in El Salvador and to be

politically active and that it is the government's duty to guarantee these rights, rather than to grant permission to or withhold permission from people.

As for the elections, we are assessing the real possibilities for a true and free participation by our organizations in processes of this type. We will decide on this in the next few days. [end recording]

Asked about the possibility that the Democratic Merger would fail in the coming elections, Ruben Zamora said:

[Begin recording] [Zamora] I believe the people are still very fearful of participating in politics because there is still a lot of repression. The memory of the thousands who were murdered because they were suspected of political positions that were not agreeable to the government is still fresh in people's minds. I think one of the great tasks we have to carry out in El Salvador is precisely that of fighting this fear. I believe the way to do this is by setting an example. We have returned to El Salvador; we want to be in El Salvador. This implies risk, but it is necessary to take this risk. We must fight this fear, and while fighting it we must present to the various social groups specific positions and solutions.

I think we will be able to defeat this fear, which is the result of repression, and that the Salvadoran people will be able to participate freely in politics.

[Benancio] Did you meet with the ARENA [Nationalist Republican Alliance] party?

[Zamora] We requested a meeting with the ARENA party. The party was amenable to a meeting, but there have been some problems of coordination because ARENA Secretary General Christiani was out of the country. He returned just this week. Dr Ungo left the country on Sunday, but we are trying to see if it is possible to meet in the next few days. If not, we will leave it for another time. However, they have expressed their readiness to meet with us, just as we have expressed interest by requesting the meeting. We think that is in line with the policy of dialogue among different political positions that we have to establish in our own country.

[Benancio] Where does the right wing fit into this?

[Zamora] It depends on what right wing we are talking about. I have read very aggressive newspaper articles against us. These are political attacks we must refute. We are not opposed to political debate; on the contrary, we support political debate. We want a political debate based on reasoning, not insults. Through political debate it is possible to develop more informed and aware people. This is a role that should be filled by the country's political parties. We consider it wrong, however, to resort to threats and force. That should be condemned and is unacceptable. [end recording]

Dr Ruben Zamora added that the Democratic Merger's participation in the coming elections is being discussed at present. He said his group is still assessing the possibility his organization will be guaranteed truly free participation in the coming elections.

Zamora left the country this morning after spending 12 days in El Salvador, following 7 years in exile. On leaving the country Zamora said he will return very soon—in a matter of weeks, not months.

Viera Replaces Rey Prendes as Minister

PA031633 San Salvador Canal Doce Television in Spanish 0300 GMT 1 Dec 87

[Text] In a ceremony held this morning Salvadoran President Jose Napoleon Duarte swore in Roberto Edmundo Viera as minister of culture and communications. Viera will take over as minister starting 1 December. He is replacing Julio Adolfo Rey Prendes, who resigned to campaign for his party during next year's municipal and assembly elections. Viera had been deputy minister of culture and communications. President Duarte appointed him as the official government spokesman during the talks with the guerrillas.

Guatemala

Cerezo, Duarte Meet, Discuss Esquipulas II

PA032331 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 3 Dec 87

[Excerpt] Salvadoran President Jose Napoleon Duarte arrived in Guatemala today to discuss bilateral problems and the progress made in the regional peace agreement with Guatemalan President Vinicio Cerezo.

Presidents Duarte and Cerezo had a private lunch at the Presidential Palace. A government spokesman said that the presidents' meeting was private and that therefore there was neither an arrival nor a departure ceremony.

The presidents discussed the progress made in the regional peace agreement signed in Guatemala on 7 August, as well as other bilateral issues.

Duarte and Cerezo, along with their colleagues Daniel Ortega from Nicaragua, Oscar Arias from Costa Rica, and Jose Azcona from Honduras, signed the regional agreement that established the terms for the achievement of regional peace and the resolution of conflicts through dialogue.

Several observers speculate Duarte came to ask Cerezo to mediate in the negotiations with the FMLN guerrillas. It was not confirmed that such a request was made. The terms of the Esquipulas II agreement include establishing a cease-fire in war-torn areas. Duarte's visit to Guatemala is part of the diplomatic activity carried out by the countries trying to achieve regional peace.

Upon his departure from the Presidential Palace President Duarte made several statements concerning the return to El Salvador of Guillermo Ungo, Ruben Zamora, and other rebel leaders who were in exile:

[Begin Duarte recording] Well, I believe their return means there has been a change in the country. They left the country saying there was no political freedom, and now they returned saying there is a political opening in El Salvador.

In addition, their return means we are abiding by our Constitution, Article 5 of which clearly states that no Salvadoran can be expelled from his country and that all Salvadorans have a right to live where and in the way they want as long as they do not violate the law.

Politically speaking, that return means international socialism was concerned about a kind of confrontation between the FMLN and the FDR because of Esquipulas II, so it tried to bring the FMLN... [corrects himself] the FDR back to El Salvador to try to incorporate it into the country's democratic process. This is because the FMLN rejected the dialogue and the democratic process. [end recording]

In addition, the Salvadoran president said his conversation with President Cerezo was strictly about topics concerning the Esquipulas II agreement:

[Begin Duarte recording] We talked about the Esquipulas II agreement, the progress we are making, the improvements we could make, etc. We were also preparing ourselves for the presidential summit. I will also visit the other friendly presidents of the region to see whether there are things we can improve.

I believe President Cerezo has also traveled to other Central American countries, and I think Costa Rican President Arias will soon travel throughout Central America.

We have therefore begun meetings among the five countries until 15 January, which is the date for the Central American presidential summit. [end recording] [passage omitted]

Honduras

Azcona Welcomes Group of 8 Plan for Region

PA031953 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 2 Dec 87

[Report by Danilo Antunez]

[Text] Honduran President Jose Azcona has welcomed the plan drafted by the eight Latin American presidents who met in Acapulco, Mexico, over the weekend. He said it is important for the most developed Latin American countries to economically help the Central American countries so that they will achieve greater independence.

[Begin Azcona recording] The Acapulco meeting addressed all the concerns of the Central American presidents and it went even further because it offered economic aid. I completely agree. If we want Nicaragua to end its alignment with any power or Honduras or any other country to do the same, such countries must be provided with some form of aid so that they will receive it with full dignity and discontinue any alignments they might have. I am not specifically referring to Nicaragua. I am referring to any country which can honorably receive aid from its Latin American elder brothers so that it can continue to be even more free. If it does not have freedom, it can have freedom. If it has some freedom, it can expand that freedom. Therefore, I share the views of the participants in the Acapulco meeting. I think that if we all push in the same direction of Esquipulas II we must necessarily reach solutions that will benefit all the countries, not only Central America but all of Latin America. As the Peruvian president has said, they also suffer the consequences of the conflict in Central America. That is not only true for Peru but all the other Latin American countries because the repercussions are not only felt by the immediate neighbors of the countries experiencing domestic conflicts. [end recording]

PNH Asks Members To Leave Government Posts

PA031515 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 1 Dec 87

[Report by Javier Gavino Villalobos]

[Text] The National Party of Honduras [PNH] yesterday announced that it will side squarely with the opposition and demanded that PNH militants resign their public administration posts. The announcement was made by PNH President Leonardo Callejas, who noted his party will not accept any more positions on the governing board [junta directiva] of Congress. He said PNH governors from throughout the Republic will not be able to belong to that board, either.

[Begin Callejas recording] The PNH has decided, based on its own political orientation and on an analysis of 2 years of association, which at times has included consultations with the ruling party, that for 1988 and 1989 no PNH deputy may form part of the governing board of Congress. This is in compliance with a constitutional regulation establishing changes in the governing board.

At the same time, we will ask the political governors of the departments in which the PNH won the elections and who occupy their posts based on the 1986 agreement, as well as the few officials who function in various autonomous institutions of the state, to submit their resignations to the president.

I must tell you that in line with our norms of behavior, ethics, and honorability, and in a new framework of relations with the various political sectors of the country, last Thursday morning I had the pleasant opportunity to meet with the president of the Republic. I informed him of the decision we have adopted in our search for PNH political power in 1989 when we will win the presidential elections with 1 million votes. [end recording]

Nicaragua

Obando y Bravo Requests Cease-Fire Declaration

PA040352 Paris AFP in Spanish 0324 GMT 4 Dec 87

[Text] Santo Domingo, 3 Dec (AFP)—Cardinal Miguel Obando y Bravo this evening asked the Nicaraguan Resistance to declare a cease-fire in Nicaragua, and he will present the same request tomorrow to the Sandinist government delegation. The prelate, who is acting as mediator between the two sides, issued the statement this evening.

Cardinal Obando y Bravo issued the brief statement following his first meeting as mediator with the contra delegation; the meeting lasted 2 hours and 40 minutes at the Santo Domingo archbishopric.

Government Responds to Honduran Proposal

PA031850 San Pedro Sula LA PRENSA in Spanish 1 Dec 87 p 11

[Press note issued by the Nicaraguan Embassy in Tegucigalpa on 30 November]

[Text] The Nicaraguan Embassy wishes to report that the Nicaraguan Government's reply to a Honduran Government proposal presented at the OAS was handed to the Honduran foreign minister on 26 November. The main part of that note states:

The five Central American presidents' decision to sign the "Procedure To Establish a Firm and Lasting Peace in Central America" on 7 August 1987 reflects the political willingness of area governments to achieve a peaceful solution to the regional crisis. This decision will also help bring about peace in Central America within a framework of understanding and respect for fundamental regulations and principles of international legal order.

This peace-seeking effort is promoted by Central American countries that have reaffirmed, through concrete actions, their commitment and determination to properly comply with the Guatemala agreements in good faith. In this regard Nicaragua has been adopting actions and taking steps that reflect good faith and respect for acquired commitments.

It is with this spirit of coexistence and respect for the Esquipulas II agreements that Nicaragua has carefully analyzed the constructive proposal presented by the Honduran Government, through the dignified means of his excellency, during a speech before the 17th regular session of the OAS General Assembly on 12 November 1987. In this regard the Nicaraguan Government wishes to express its full disposition to participate as soon as possible in talks between our two governments to make inroads in fulfilling the aspirations of our peoples of establishing a just and lasting peace in Central America.

Tegucigalpa, 30 November 1987

Vice President Discusses Arias Peace Plan

PA032008 San Jose Radio Reloj in Spanish 1200 GMT 3 Dec 87

[Text] Evaluating the Central American peace process, Nicaraguan Vice President Sergio Ramirez said the Arias plan is progressing and that in their meeting in Costa Rica in January the presidents will be able to confirm that there has been satisfactory progress. Although he admitted that there are problems, Sergio Ramirez said the pacification process is irreversible. However, he added that complete results will not be achieved. In the case of Costa Rica, he believes that a radical change has occurred and that President Arias Sanchez has a political willingness to comply with all the points of the Esquipulas agreement.

Admitting that peace has not been achieved in Nicaragua because it is a country that continues at war, Vice President Sergio Ramirez said that Nicaragua will accept the opinion and the report of the International Verification and Follow-Up Commission. He said in reference to the talks with the rebel groups that his government is interested in the discussion of a real cease-fire but within the terms established by Esquipulas. He said that he is not pessimistic because even though there are difficulties, very positive advances have been achieved in the pacification process.

164 Contras 'Wiped Out' in Pantasma Fighting

PA031744 Managua Radio Sandino in Spanish 1200 GMT 2 Dec 87

[Text] A total of 164 contras were wiped out during the combat that took place north and west of Pantasma, Jinotega. Lieutenant Colonel Manuel Salvatierra, chief of Military Region 6, has reported. During the past 2 weeks the EPS clashed with the largest contra military force ever—about 500 of them—who were planning to enter our national territory following their rest and recovery in the unilateral cease-fire area. They were planning to deploy toward Pantasma, San Rafael del Norte, and Sebaco.

Meanwhile, a smaller group of approximately 250 counterrevolutionaries took over Santa Teresa, Kilambe, and areas further north. This area had been declared a cease-fire area from 7 October to 7 November, and is north of Quilali, where fighting has been going on since the middle of last week. Salvatierra said that the contras were primarly interested in being in the areas of Sebaco,

Matagalpa, Esteli, and Jinotega prior to 5 December. However, the truth is that they are still in (La Vista), north and west of Wiwili, where continuous fighting took place over the past weekend.

The counterrevolutionaries had hoped they could carry out actions that would show they are belligerent forces, capable of endangering the revolution, but their hopes have been foiled. The contras do not care about the casualties they could have suffered. During the temporary cease-fire they gathered new supplies, rested, and planned their deployments into the interior of the country.

In order to carry out this plan they received supplies, TNT and C-4 explosives, 57-mm cannons, and some new weapons such as FAL rifles and light hand grenades. Salvatierra pointed out that the contras lost most of this armament during the first 3 weeks in November when they tried to carry out offensive actions. The contras have been clashing with the EPS troops who have also prevented the 500-man contra group from receiving any fresh supplies. This group was in charge of carrying out a propaganda mission under orders from the United States.

During a news conference the officer in charge of Military Region 6 explained to the newsmen that the troops remained 5 days in the combat area. He added that it is uncertain whether the contras will continue offensive actions in spite of the casualties or, as a result of the attrition, will be forced to withdraw. You have observed that there was a moment when the counterrevolutionaries were trying to run faster, the chief of Military Region 6 said.

Lt Col Salvatierra feels the plan was well organized, but during the actual operation the bands were severely attacked. Perhaps their military tactics are wrong because they have neither the military strength, the deployment capability, nor the power of the EPS, and there should not be any more confrontations.

Concerning fresh supplies for the contras, the officer said that there have been some in the area to the far north of San Jose de Bocay. In this area an operation took place in May of this year, and there are still some contra groups in the areas of Hamacas, San Andres de Bocay, and the Coco River, where there is no air surveillance.

Panama

Foreign Ministry Orders AID To Leave

PA031240 Panama City MATUTINO in Spanish 3 Dec 87 pp 1, 5

[Article by Roberto R. Rodriguez]

[Text] According to a communique sent by the Panamanian Foreign Ministry to the U.S. Embassy here, the offices of the U.S. Agency for International Development—otherwise known as AID—must close within the next 7 days.

The information was leaked yesterday by Arturo Vallarino, a pro-government legislator, and was later carefully confirmed by *Matutino* with unofficial sources close to the Foreign Ministry.

Other sources pointed out that more than 60 days ago USAID suspended all payments on loans and donations previously agreed upon between Panama and the United States as well as all the work on economic support and loans to Panamanian Government institutions.

In an interview last week Foreign Minister Jorge Abadia himself said this unilateral action by the United States was "aggression," and he denounced the stinginess of the U.S. officials, who have gone as far as to pull out desks, computers, water fountains, and toilet paper donated to government institutions.

In a statement before the National Assembly, Legislator Arturo Vallarino voiced his concern over this measure of the Panamanian Government bearing in mind the 101 Panamanian employees and the 500 Panamanian students holding scholarships who might be affected.

"The truth of the matter is that the economic aggression against Panama is a cowardly one, and it only affects the most needy ones who have been receiving the benefits of this economic assistance from the so-called AID," a high-ranking official said.

Legislator Questions Decision

PA031237 Panama City Domestic Service in Spanish 2214 GMT 2 Dec 87

[From the Legislative Assembly—live]

[Text] [Legislative Assembly President Alberto Aleman Boyd] Mr Secretary, the Honorable Arturo Vallarino is recognized.

[Vallarino] Thank you, Mr President. To file a motion...

[Aleman, interrupting] Mr Secretary, please read the motion on the floor to alter the agenda of the meeting.

[Secretary Erasmo Pinilla] The Honorable Legislator Vallarino proposes that the matter under discussion be suspended and the following motion be discussed:

Let the planning and economic policy minister be summoned to appear at the plenary session of this Assembly on Wednesday, 9 December, to answer the following questions:

1. Are you aware that the executive branch has asked the U.S. Agency for International Development, AID, to close within a period of not more than 7 days? If the answer is yes, do you know the reasons?

2. Is it true that there is a bilateral treaty signed by Panama and the United States in 1972 that regulates cooperation between the two countries? From an economic standpoint, how important is this treaty for our country?

3. What is the total amount of the funds received from AID as loans, and how have these sums been invested?

4. What amount of money has the government received through AID as donations, and how has it been used?

5. Is it true that over 100 Panamanians are employed by AID and that they earn salaries totaling close to 2 million balboas annually?

6. What measures will the Panamanian Government adopt regarding the 442 Panamanian students who are studying abroad with scholarships sponsored by AID at an annual cost of 9 million balboas?

7. Is it true that loans from AID totaling 88 million balboas are in the process of being disbursed? Do you know that INRENARE [Institute of Natural Renewable Resources] had requested a loan of 35 million balboas?

8. What impact would the suspension of the assistance from AID have on housing, agriculture, education, and health?

9. What alternatives does the executive branch have to compensate for the 16 million balboas AID had been disbursing to the government to finance small- and medium-sized enterprises?

10. What is the amount of the principal and interest of the government's debt to AID and what amount is overdue? What resources will be used to repay this debt if it is declared due and payable?

11. What will the fate be of such private entities as PANAJURU [National Board of Panamanian Rural Youth] and COSPAE [Private Sector Council for Educational Assistance], as well as the agricultural associations and cooperatives that had been receiving technical and financial assistance from AID, the suspension of which had at no time been planned?

12. (?In general), what is the Planning Ministry's estimate of the annual contribution to our nation's economy, in terms of direct and indirect benefits, which we had been receiving and will be lost in 1988 as a result of the closing of the AID offices in Panama requested by the Panamanian Government?

End of the motion, Mr President.

[Aleman] Honorable Vallarino is recognized to defend the alteration of the agenda.

[Vallarino] Thank you, Mr President. Dear colleagues, young students. There is great concern among over the 100 Panamanians who are currently working for AID, who have been receiving good salaries, and who are just as Panamanian as you, Legislator Gomez.

Yesterday we received reports that the acting foreign minister has asked the U.S. Embassy to close the AID offices and remove them from Panama. This is the reason for concern on the part of those Panamanians working at AID. This is also a source of concern to close to 500 Panamanians who are currently studying abroad under the sponsorship of AID, which last year devoted 9 million balboas to scholarships and has for many years allocated large sums of money to sponsor outstanding students, such as the planning and economic policy minister himself, the finance and treasury minister, and the general manager of the Savings Bank. They, like a very large number of other Panamanians, have studied thanks to AID's assistance.

In addition, Mr President, a large number of organizations and associations had been and continue receiving assitance from AID, independent of the measures announced by the U.S. Senate. These are organizations, like PANAJURU, which everybody knows, and other civic associations, cooperatives, and farming associations which have been receiving not only economic but financial [as heard] assistance.

In addition to the 2 million paid directly as salaries, the Republic of Panama has been receiving indirect benefits from this office or agency and all people working in it. We feel that it is important that the planning minister come here at this moment and, together with the legislators, assess the significance and economic impact that will result from the government's order to close this agency in a relatively brief period of time.

Yesterday we were not given the opportunity to deal with this together with the commerce and industries minister and the foreign minister. Mr President, I trust that we will receive the support of our colleagues to discuss, in a serious manner, whether Panama actually has plans and alternatives to ease the impact that will result from the Panamanian Government's own initiative and whether we can in fact ease it.

For instance, the small- and medium-sized enterprises are carrying out a financing program for those enterprises quite efficiently. This project currently involves 16 million balboas, and I think that only a few million had been disbursed. I know that the development of small- and medium-sized enterprises, which have been proved to be more capable of solving economic problems than are large enterprises, is a matter of concern to all legislators.

Mr President, the questionnaire we have presented consists of 12 questions. We have drawn up this questionnaire responsibly enough to carry out a real debate on the

future of Panamanians. One way or the other it is true that money cannot buy happiness. However, it does help a great deal, and the Panamanian Government has received over 300 million in donations from AID. It is important that we answer our electorate and tell them what alternatives, what financing sources are available to us and what repercussions...

[Speaker, interrupting] [passage indistinct]

[Vallarino]...the planning minister to tell us actually on the basis of what evaluation we have asked for the closing of AID.

Distinguished colleagues, I ask for a yes vote. I think that this resolution, or motion, is more important than the ones we have approved to congratulate some politicians and former presidents of other countries on their birthday. I know I can count on your votes. Thank you, Mr President.

[Aleman] Does the floor wish to alter the agenda? Those in favor of altering the agenda please raise their hands.

[Pinilla] Mr President, 22 votes in favor.

[Aleman] Those against?

[Pinilla] Two votes against, Mr President.

[Aleman] Those abstaining?

[Pinilla] Twelve abstentions, Mr President. The results of the votes are: 22 in favor, 2 against, and 12 abstentions. The motion has not received the number of votes required by the Assembly bylaws to alter the agenda, Mr President. Therefore it has been defeated.

Aleman Boyd on Executive Branch Disrespect

PA031640 Panama Televisora Nacional in Spanish 0000 GMT 2 Dec 87

[Text] Legislative Assembly President Alberto Aleman Boyd today said that the resolution recently approved by the Assembly does not ban the entry of U.S. military personnel. Regarding statements made by President Eric Delvalle in this regard, Aleman Boyd said the following:

[Begin Aleman recording] Many legislators have told me that they are concerned because they believe the executive branch has been disrespectful toward the resolution approved by the Legislative Assembly. I must point out that the Legislative Assembly represents all political currents and thoughts in the country, but at the same time each legislator has his own constituency. This resolution approved by the Legislative Assembly is the nationalist and patriotic expression of those of us who represent the majority of the Panamanian people. I must point out that constitutionally each body of government is independent, and we as a legislative assembly request from the other bodies the respect we deserve.

If we take into consideration the political situation in the country and the interventionism to which we are being subjected—specifically from the U.S. Senate regarding the proposal of laws that adversely affect the economic and financial development of our country—our Legislative Assembly must make its views known because it is the body that expresses the people's will. We demand and will continue to demand respect for our Legislative Assembly. [end recording]

Planning Minister on Economic Situation

PA031434 Panama City LA REPUBLICA DOMINICAL in Spanish 29 Nov 87 pp 1-a, 18-a

[Unattributed article]

[Excerpts] According to economic sources, despite the political difficulties experienced in the country during the third quarter of 1987 the economy has maintained positive growth during this period. The economic situation would have been better had it not been for the political events that have caught the people's attention here and abroad.

Two things have favored this trend in the economy: a high foreign factor and the service factor, which are some of the characteristics of the Panamanian economy; and the impulse the economy had after 2 and 1/2 years of steady growth. In view of this, it is expected that the 1987 economic growth will be approximately 2.5 percent.

The foreign factors of the economy have maintained their growth during the first quarter of this year. For example, between July and September 1987 a total of 3,289 ships passed through the canal, which represents a 2.6-percent increase compared to the same quarter last year. The average number of ship transits increased from 34.9 to 35.8 per day; the cargo volume increased by 12.3 percent; and the tolls collected increased by 4.3 percent.

The Colon Free Zone is experiencing a high volume of operations even though it was affected during the border conflict between Colombia and Venezuela during the third quarter of this year. Exports to Aruba and the West Indies, particularly in August, were affected. Nevertheless, reexports in September registered the highest levels thus far in 1987.

The volume of crude oil pumped through the Trans-Isthmian Pipeline decreased from 555,000 barrels per day during the third quarter of 1986 to 522,000 during the same quarter in 1987. However, the level of contracts for pumping services for the last quarter of this year shows a significant increase compared to the third quarter of this year. Petroterminal de Panama has paid 40.8 million balboas in dividends this year; 19.2 million balboas of that was payments to the national government.

Approximately one half of the gross product of the agriculture sector is reflected by the activities in the banana production sector. The exports in this sector were for 9.3 million boxes during the third quarter of the year, which represents a 16.3-percent increase compared to the same period in 1986. The yield per hectare increased 22 percent. [passage omitted]

During the third quarter of this year in the construction sector permits issued in the district of Panama amounted to 26.8 million balboas, which is higher than those registered in the same period in 1986, although there has been a decrease in the number of permits for apartment buildings and condominiums.

The sector most affected by the political situation in the second half of this year is the banking sector, which registered a reduction in its total assets. The closure of the First Chicago Bank branch in 11 banking centers throughout the world, including Panama's, reduced by 3.8 billion balboas the total asssets in the Panamanian banking system. There was also a reduction of about 800 million balboas in international operations affecting about five banks.

The 507-million-balboa decrease in internal deposits during this quarter resulted in strong pressure on the liquidity of the banking system—which provides local credits in a system that had a high level of liquidity—thus resulting in restrictions in internal credits, particularly for mortgages, and in credits for the agricultural sector.

Planning Minister Ricaurte Vasquez said: "The local banks have been able to adjust rapidly to the difficult liquidity situation. In this effort the banks and the government have worked jointly to preserve the banking system, which is an example of teamwork." Minister Vasquez added: "Once we overcome the current situation the Panamanian banking system will undoubtedly continue providing support to the growth and development of the country."

During the presentation of his report Vasquez emphasized that despite the growth rate of the economy it is important to distinguish between the situation of the Panamanian Government and the situation in the rest of the country. "Panama does not have a state-owned economy. Most of the economic activities are in the hands of the private sector. Thus, it is important to distinguish between the growth of the economy and the difficulties in liquidity and financing the government is facing," Vasquez added. This remark was made because although there has been some growth in the economy, as shown by the information presented in the quarterly report, and although revenues have been collected according to the budgeted estimate, the government has not received the foreign credits to cover an important portion of its expenditures and for its investment plans. Therefore, the government has been forced to strictly follow the program for expenditures based solely on internal revenues. "This situation will prevail in the government for the coming months, but the other economic sectors have the capacity to continue their economic activities."

Argentina

Party Leaders Analyze Document on Falklands

PY022130 Buenos Aires DYN in Spanish 1718 GMT 2 Dec 87

[Text] Buenos Aires, 2 Dec (DYN)—The members of the foreign policy committee of the "consensus board" [mesa del consenso] have reached agreement on the first three points of the Foreign Ministry's statement regarding the reaffirmation of Argentine sovereignty over the territory occupied by the United Kingdom in the South Atlantic and on the use of peaceful solutions within the framework of the UN resolution and the principle of territorial integration.

These leaders yesterday reached the agreement after a 3-hour meeting, and they are now seeking agreement on the principles regarding the "Malvinas" issue. These principles were prepared by the Foreign Ministry to overcome disagreements on the methods for resuming talks with the United Kingdom. Such disagreements have been going on since the 1st day of talks.

Intransigent Party Deputy Miguel Montserrat stated that his party maintains its "strictness, inflexibility, and intransigence" regarding the British position of "discussing the issue without including all essential problems."

He said it would be "absurd" to negotiate "through a mediator other than an international organization, especially through an ally of the enemy," tacitly referring to the talks initiated by the United States seeking a rapprochement between the two conflicting parties. In diplomatic jargon this is known as the "nonpaper" [preceding word in English] rapprochement.

Montserrat stated that "no unilateral action must be taken in the absence of a similar action" by the British. He added that during his participation in the talks, he warned his colleagues "not to permit the negotiation of isolated aspects" of the conflict, such as protection of fishing grounds in the southern zone or the possibility of reaching agreements with the United Kingdom to prevent incidents in the South Atlantic.

In this regard, he said that "British military pressure on the Malvinas implies the installation of a NATO branch and the transfer of the East-West conflict to our continent."

Differences on the "Malvinas" issue center on the method the government should implement to resume negotiations with the United Kingdom, negotiations that have been severed since the 1982 confrontation.

While the UCD [Democratic Centrist Union], the MID [Integration and Development Movement], and the PDP [People's Democratic Party] have insisted on the need to begin a dialogue in order to end the current stalemate in the conflict, the Radicals, Justicialists, and the Intransigent Party members maintain that the sovereignty issue must first be included in the agenda.

Next Friday, the members of the commission will continue to analyze the other points in the document, which contains 10 statements concerning the Argentine-British conflict. The statements, which are based on general principles, were issued by the Argentine Foreign Ministry.

The meeting, which was held—as usual—at the San Martin Palace, was attended by Justicialists Eduardo Menem and Jorge Lorenzo, UCD member Jorge Oria, Intransigent Miguel Montserrat, Liberal Autonomous Party leaders Horacio Suarez Bidondo and Ramon Aguirre Lanari, Federal Party leader Ruth Monjardin, Progressive Democratic Party leaders Rafael Martinez Reimonda and Rafael Monovil, MID leader Carlos Zaffore, Christian Democratic Party leader Otelo Zamponi, Deputy Foreign Minister Susana Ruiz Cerrutti, and Radical Senator Adolfo Gass.

Vice President Martinez Leaves for Montevideo

PY031503 Buenos Aires TELAM in Spanish 1120 GMT 3 Dec 87

[Excerpt] Buenos Aires, 3 Dec (TELAM)—Argentine Vice President Victor Martinez left at 1010 today for Montevideo, Uruguay, to participate in the fourth congress of presidents of Ibero-American parliaments.

The vice president, who is also Senate president, left aboard the presidential plane T-01 from Jorge Newberry metropolitan airport. [passage omitted]

Tucuman Chooses Justicialist as Governor

PY032227 Buenos Aires BUENOS AIRES HERALD in English 3 Dec 87 p 1

[Text] (NA-DYN)—Justicialist candidate Jose Domato emerged yesterday afternoon as the next local governor as a result of a last-minute agreement with dissident Peronist Provincial Action grouping.

Violence erupted as the final electoral college vote was taken, in part due to disppointed Radical supporters but in part also because some of the policemen called in to calm down the rioters took advantage of the occasion to express wage grievances of their own. A number of policemen were seen fighting among themsleves.

Domato, who will take office next week, was elected by 24 votes to 21 for Radical candidate Ruben Chebaia, whereupon the Radical electors stalked out and the violence began. The 12 representatives of the Provincial Defense (Bandera Blanca) Party, headed by former military governor Antonio Bussi, boycotted the proceedings.

The negotiations preceding Domato's election necessitated three adjournments. Deputy Miguel Angel Toma (Justicialist-Federal Capital) was the key figure in uniting the two Peronist factions.

As a result Domato's cabinet will consist of both Justicialist and Provincial Action supporters while members of the latter party will retain the chairmanships of both houses of the provincial congress, even though these posts were obtained with the support of the Radicals.

Presidential chief-of-staff Carlos Becerra complained that the second and third minorities had combined to cheat Chebaia of victory when he had polled the largest total on September 6.

Briefs

Support for Central America

Buenos Aires, 17 Nov (TELAM)—At a news conference held at the Economy Ministry building, Dante Ramirez, president of the Central American Bank, has announced that Argentina has just signed a $47.6-million commitment to the Central American Social and Economic Development Fund, which is intended to finance economic integration projects in that region. Mexico was the first country to make such a commitment for the same amount. [Summary] *[Buenos Aires TELAM in Spanish 1543 GMT 21 Nov 87 PY]*

Bolivia

Bedregal Discusses Cuba's Admission to OAS

PY031405 la Paz La Red Panamericana in Spanish 1130 GMT 3 Dec 87

[Text] Bolivian Foreign Minister Guillermo Bedregal Gutierrez has said that in the next few days Bolivia will decide what position to adopt regarding the possible admission of Cuba to the OAS. The current policy has changed much since 1960, when Cuba abandoned the OAS after accusing the United States of interfering in Latin American domestic affairs, Bedregal said.

In the wake of the summit of the presidents of Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay, and Venezuela, the possibility has arisen that Cuba may again join the OAS.

Nonetheless, Bedregal did not want to give an opinion about the subject because he said he still has not read the relevant documents. However, he admitted that there are new aspects in international politics that favor a democratic participation.

[Begin Bedregal recording] I still have not read the documents, but I think that democracy represents political pluralism and it supersedes ideological positions. This initiative must be carefully analyzed. The days of the Cold War of the 1960's are over. Humanity now needs understanding and consensus for common objectives that supersede ideological struggles and pressures. If this were not the case, it would be difficult to understand the summit the United States is preparing so carefully with the USSR; that is, the Reagan-Gorbachev summit that will take place soon. [end recording]

Regarding the PRC Embassy's declaration about the illegal introduction of Chinese weapons into Bolivia, Minister Bedregal said that his ministry needs to study the case before making a final statement.

PCR Embassy Denies Arms Smuggling Charges

PY031440 Madrid EFE in Spanish 0506 GMT 3 Dec 87

[Text] La Paz, 2 Dec (EFE)—The PRC Embassy today categorically denied the existence of arms smuggling from China and called the official reports on this case slander.

Officials have charged that about $2 million worth of arms have been smuggled in from the PRC, presumably for Peruvian guerrilla groups or gangs of drug traffickers.

The PRC diplomatic mission labeled the reports by Bolivian officials "ill-intentioned slander."

The PRC Embassy said the Corporacion Comercial del Oriente enterprise imported, with the authorization of the Defense Ministry, 17 samples of military weapons and another lot of weapons for use in sports activities, without any explosives or ammunition.

The PRC Embassy says it has confidence this "incident" will be resolved favorably based on mutual confidence and the friendly relations existing with Bolivia.

Socialist Deputy Roger Cortez today said the PRC weapons case came into the open presumably as a result of the internal struggle within the official Nationalist Revolutionary Movement (MNR).

Cortez indicated that the explanations given by the Defense Ministry are "unclear, contradictory, and suspicious," thus creating doubt.

Cortez referred to the contradiction between the price of the weapons given by the Defense Ministry and the documents shown by the commercial firm.

He said the country and Congress want to know if the Defense Ministry has been purchasing weapons at a price higher than the one established in the international market.

Cortez added that the country wants to know if an internal political struggle within the government party has led the Defense Ministry to make smuggling accusations against Julio Prado Salmon, one of the most outstanding members of the MNR and a current representative of the Oriente corporation.

Government Authorizes Foreign Debt Purchase

PY022302 La Paz EL DIARIO in Spanish 14 Nov 87 p 1

[Text] The government has issued a decree authorizing the Republic of Bolivia and/or the Bolivian Central Bank [BCB] to purchase Bolivia's foreign debt under the terms established by the agreements reached with the international private banks coordinating board.

The executive branch is thus confirming the negotiations carried out by Energy and Hydrocarbons Minister Fernando Illanes, who talked with the creditors coordinating board at the request of the BCB.

The negotiations concluded with the signing of an amendment to the foreign debt refinancing contract. The government considers this amendment useful because it allows it to efficiently solve the foreign debt problem, to strengthen economic stability, and to reactivate the economy.

In order to give more weight to this decision, and in view of the energy minister's trip to the United States, the excecutive branch approved the following decree:

Article 1. The government ratifies all the negotiations carried out by the former Bolivian ambassador to the United States, Fernando Illanes, who is now the Bolivian energy and hydrocarbons minister, with the international private banks coordinating committee represented by the Bank of America NT&SA [National Trust and Savings Association]. The government hereby approves the amendment signed by Illanes as representative of the Republic of Bolivia and the BCB. The BCB in turn represents the state and agencies, municipalities, development corporations, public companies, state banks, and private companies or organizations endorsed by the BCB, which owe part of the foreign debt. The government, therefore, authorized the Republic of Bolivia and/or the BCB to purchase its foreign debt, as established in this amendment, or to turn the foreign debt into investments, under the terms and conditions of this amendment.

Article 2. The protocol of this amendment to the Foreign Debt Refinancing Contract of 29 April 1981 must be registered in the National Notary's Office of La Paz, in compliance with all legal procedures. The finance minister, representing the state, and the BCB president and general manager are authorized to sign the appropriate legal documents in the name of the BCB, which represents the organizations mentioned in Article 1, in the presence of the national prosecutor and with the national comptroller general's endorsement.

Article 3. All the public and private organizations mentioned in Article 1 of this decree and involved in this amendment, and all the state organizations which, because of liquidation of other state-run or private and public companies owing part of the debt—have contracted, by virtue of specific legal rulings, any portion of the debt as transferred liabilities, must comply with all commitments that the BCB shall assume with the international private banks and with all the obligations stemming from this amendment.

Article 4. When purchasing any portion of the debt under the conditions of this amendment, the Republic of Bolivia or the BCB will legally acquire all the original rights of the creditor or creditors regarding their debtor or debtors, without limitations, restrictions, or any sort of cancellation, without detriment to the rights and interests of the state banks or organizations that may have guaranteed the loans granted to the private companies or organizations. If, however, under the terms of this amendment, the Republic of Bolivia or the Central Bank should turn out to be the simultaneous holders of creditor and debtor rights, the original obligation will be canceled. The government and the BCB will be allowed to reach agreement with the debtors and guarantors on the terms and conditions that will regulate their mutual relations concerning each other's debt, making arrangements for payment terms or for cancellation, in accordance with the interests of the state.

The national finance minister will be in charge of enforcing this decree.

Government, Jobless Miners Begin Talks

PY021410 La Paz La Red Panamericana in Spanish 1130 GMT 2 Dec 87

[Excerpts] Yesterday the government started a dialogue with the jobless mine workers to try to find a solution to their problem. The Catholic Church sponsored these negotiations to prevent the worsening of the social conflict.

The government, which is represented by Foreign Minister Guillermo Bedregal Gutierrez, will try to open new avenues of employment and find a way to grant social benefits to the jobless. [recorded passage omitted]

Severo Torres, who represents the jobless miners, said that the workers were pleased with the mediation by the Catholic Church in this problem. He reported that the workers formed several commissions to analyze the government proposals and to adopt the necessary measures. According to Torres, the jobless miners nonetheless refused to end their hunger strike as requested by the foreign minister.

Coadjutor Archbishop Alejandro Mestre, in turn, requested the executive branch to be understanding about this conflict. The jobless miners' commission will meet every day until they agree to a solution or reach a decision.

COB Views 3 December Stoppage as Successful

PY040119 La Paz La Red Panamericana in Spanish 0000 GMT 4 Dec 87

[Text] The COB has said that the 24-hour stoppage staged today was successful.

In this regard the COB issued a communique disclosing information received from the interior stating that the stoppage was fully observed in proletarian organizations, such as factories, mines, and other sites. The document also states that oil workers, teachers, and peasants fully observed the call for a stoppage.

This information was disclosed by COB permanent secretary (Oscar Iturre). [passage indistinct including (Iturre) recording]

Minister Reports on Clandestine Airfields

PY031313 Madrid EFE in Spanish 0730 GMT 3 Dec 87

[Text] La Paz, 2 Dec (EFE)—Aeronautics Minister General Jaime Zegada has reported that drug traffickers use 500 clandestine airfields located in eastern Bolivia to export the cocaine manufactured here to the international market.

Zegada stated that the airfields are used by gangs of international drug traffickers who come to Bolivia to pick up drugs.

Zegada explained that the number of clandestine airfields is an estimate because exact figures do not exist.

He added that in 1986 there were 250 illegal airfields in Santa Cruz Department alone.

Zegada also said that Bolivian officials have problems controlling the airfields due to a lack of technical and human resources. The fact that the territory is very extensive also hinders official efforts.

He said, however, that the Bolivian Government is making every effort to improve the control system with the use of radar.

Brazil

Sarney Denies Resignation, Dismissal Rumors

PY040207 Rio de Janeiro O GLOBO in Portuguese 3 Dec 87 p 1

[Text] The president will not be dismissed, will not resign, and will not commit suicide, either. This statement was made by President Jose Sarney in response to a question from a reporter, who mentioned rumors that the president will resign if his term is reduced. Sarney, who spoke after dedicating a laboratory of the National Space Research Institute (INPE) in Sao Jose dos Campos (Sao Paulo), said he will no longer try to influence the Constituent Assembly, and he will abide by whatever decision is made. During his visit to the INPE, the president preferred to talk about science. He said, however, that Sao Paulo Governor Orestes Quercia, who was accompanying him, would be a good candidate to succeed him. Quercia thanked Sarney for the suggestion, but said he would rather complete his term as governor.

President Speaks at Dedication of Space Lab

PY022229 Brasilia Radio Nacional da Amazonia Network in Portuguese 1800 GMT 2 Dec 87

[Speech by President Jose Sarney during a ceremony to dedicate the testing and integration laboratory of the Space Research Institute in Sao Jose dos Campos—live]

[Excerpts] Brazilians of Sao Paulo State:

We are here in Sao Jose dos Campos, a city that symbolizes our technological development, to dedicate a great achievement of the Brazilian mind—the testing and integration laboratory of the Space Research Institute. We are taking a great step forward toward mastering the entire space technology cycle. This laboratory is the cornerstone that irreversibly sets in motion Brazil's complete space mission, the objective of which is to launch into orbit and to operate four domestically-made satellites. The first satellite is in an advanced stage of development and is due to be launched in 1989.

I want to stress the significant participation of our industry in the design, construction, and provision of equipment for the testing and integration laboratory. The development of the Brazilian space mission will mean many advantages for our industry, taking into account the countless applications of space research findings in various industrial sectors. Yet the most important thing is that we are successfully developing our own space technology capacity. This progress, which gives prestige to our country and strengthens our independence, also gives us more bargaining power when negotiating exchange and cooperation accords.

Our space program cannot be discontinued, regardless of the difficulties that must be confronted in order to keep it going. I can give assurances that no matter how serious the situation, my government will neither put the

advancement of science and technology in jeopardy nor discontinue highly sophisticated programs like the space programs, because we believe that the nation's very future is at stake.

Investment in a program like this cannot be reduced, much less eliminated. Such a decision would cause incalculable damage to our country, damage that cannot be measured in terms of dollars or cruzados. It would mean the dismantling and disbanding of high-level teams that were established after years of work, decades of training, doctoral degrees, exchanges, restructuring, studies, and experiments. All this effort has produced a team, a valuable critical mass, a body of information and findings that is part of our cultural and scientific heritage.

I therefore call upon Brazilian scientists not to be disappointed, not to let pessimism overwhelm them. Brazil will once again—our history contains undeniable evidence attesting to this—manage to muster the energy it needs to overcome the difficulties it has to confront. We have natural resources, talent, creativity, and the courage of our people. If we can pool those assets in the pursuit of the common good and national progress, we will be able to meet any challenge. [passage omitted]

Since the beginning of my term in office, Science and Technology Minister Renato Archer, the Armed Forces chief of staff, and I have supported the creation of a testing laboratory. Yet, I would have never imagined the high level of this organization, which is at the service of Brazilian science and technology.

I visited some material testing laboratories. I visited the Alcoa laboratory in Pittsburgh and the General Motors laboratory in Detroit, and I must say that I see a high-level organization here, and that the standards I see here are higher than those of the organizations I visited abroad. I want to congratulate all the technicians who are working here, the directors, and the employees for their contribution to Brazil's future.

I am pleased to say that there are two Brazils, and I am not referring to the Brazil of poverty and the Brazil of wealth. I am referring to the active, turbulent, critical, and pessimistic Brazil, to the Brazil that has needs that have been postponed, to the Brazil that nurtures illusions and disappointments at all times. But there is another Brazil, which we are seeing here, the Brazil of quiet laboratories and factories, of the anonymous hands and minds that day and night work to permit the takeoff of this gigantic country, which was one of the world's more underdeveloped countries, and which has now reached a level where it can spread its wings toward a great future.

This quiet Brazil that does not have pessimism, this quiet Brazil that has courage and that knows where it wants to go; this Brazil has been able, amid difficulties, to demand that the satellite launching program be implemented 1 year earlier than planned.

I am sure that in 2 years, the first Brazilian satellites—which will give us technological independence in this sector, thus paving the way toward the future—will be in space, driven by the intellectual capacity and the work of Brazilian technicians. Here we will test the materials of the satellite in a vacuum chamber. Two months ago we witnessed the launching of the SONDA IV rocket at Barreira do Inferno. This rocket, and the ones to be developed later, will launch Brazilian satellites, and will perform tests on materials.

At Planalto Palace 6 months ago, I received a team of scientists who were working with semiconductors, a sensitive technological field from the viewpoint of future development, and an area that Brazil has begun to master. On 4 September I told the nation that Brazil had mastered a sensitive technology that only a few countries have managed to master—the uranium enrichment technology. This year we will dedicate the first cascade uranium enrichment plant, placing Brazil at the same level as the world's great industrialized countries.

As I said, all this work has been done quietly, in anonymous laboratories, all over Brazil. This is not highly visible work, nor is it properly recognized. Yet, its results are much more lasting and significant than perishable things, because we are building the path toward our future. A president cannot look only at the turbulent Brazil, which reflects our usual behavior; above all, he should look at this invisible quiet Brazil, because it is this Brazil that gives birth to the hope, the certainty, and the courage we need to overcome our daily problems. As Churchill put it, a statesman should refuse to see the present while looking at the future. Thank you very much.

Company To Sell War Materiel to Nicaragua

PY031708 Madrid EFE in Spanish 1634 GMT 3 Dec 87

[Text] Rio de Janeiro, 3 Dec (EFE)—Roberto Ricardo Izzo Pinto, commercial director of the Brazilian firm Embramil, today reported that his firm will offer Swiss 81-mm RWK rocket launchers, British Plessey military radios, and mine detectors to the Nicaraguan Army.

Izza Pinto said that on 11 December he will meet with Nicaraguan military authorities in Managua to sign the sales contracts for rockets and rocket launchers that will be manufactured begining March 1988 in Brazil. The manufacturing of this materiel will be based on Swiss technology.

Embramil has obtained a license from the Swiss firm RWK to export this war materiel to Latin American countries. The firm's directors have indicated that initial interest in these materiels has been expressed by Nicaragua, Chile, Venezuela, and Ecuador.

Izzo Pinto added that one of the main obstacles to signing the sales contract between his firm and the Nicaraguan Government is that Nicaragua has not acknowledged the debt it has contracted with Brazil, which amounts to $24 million, arguing that the loan was made to the Anastasio Somoza regime.

The Swiss 81-mm rocket launchers are in great demand in the West. The Soviet Union and the PRC have developed their own similar technologies. [passage indistinct]

Accord Reached To Finance Interest Payments

PY032329 Brasilia Domestic Service in Portuguese 2100 GMT 3 Dec 87

[Text] Brazil and the advisory committee of the creditor banks have reached an agreement to temporarily finance the interest rates on the Brazilian foreign debt as of February 1987.

(Williams Lauds), president of the advisory committee formed by 14 of Brazil's main creditor banks, disclosed that the Brazilian Government has been granted $2.8 billion of the $3 billion needed to pay these interest charges. (Lauds) further revealed that new agreements will be reached in the next few days to complete the total amount necessary to cover the interest charges.

Chile

Ministry Denounces U.S. Senate Proposal

PY040159 Santiago Domestic Service in Spanish 2200 GMT 3 Dec 87

["Text" of communique issued by the Foreign Ministry in Santiago on 3 December]

[Text] During a discussion of the foreign operations bill [ley de operaciones en el exterior] in the U.S. Senate on 1 December, U.S. Senator Tom Harkin submitted two draft amendments which provide for the delivery of $1 million to sponsor quote, democratic activities, unquote, in Chile to promote a democratic transition. This is something that questions the institutional process that the majority of Chileans freely and sovereignly decided to support in 1980.

The Foreign Ministry hereby denounces and rejects this new attempt to meddle in Chile's domestic affairs and in decisions that are exclusively the concern of Chilean citizens.

The communique states that Senator Harkin's attitude and that of his followers regrettably seems to be in agreement with the attitude upheld by those Chilean political sectors that have no scruples, as has been recently shown, about requesting and promoting foreign intervention in Chile, regardless of its origin.

In conclusion, the Foreign Ministry communique states that if this proposal is approved, the maturity of the Chilean people will allow and enable them to disqualify those who eventually receive the funds requested by Senator Harkin.

State of Emergency Extended Another 90 Days

PY031758 Santiago Domestic Service in Spanish 1600 GMT 3 Dec 87

[Text] The state of emergency has been extended for another 90 days in Chile through a decree issued by the National Defense Ministry.

Decree No 1,748, which is published in today's official gazette, includes the national defense chiefs and acting chiefs for each region of the country.

Concerning the Metropolitan Region and San Antonio Province, Brigadier General Jorge Ernesto Zincke Quiroz will be the chief and Brigadier General Jaime Gonzalez Vergara and Brigadier General Alejandro Gonzalez Samohod will be acting chiefs whenever required.

Pinochet Speaks on Need for Strong Government

PY031211 Santiago EL MERCURIO in Spanish 27 Nov 87 pp A-1, 15

[By Jose Manuel Alvarez]

[Excerpt] Arica—President Augusto Pinochet said last night that Chile needs a strong government, not "the puppet regime some people in the North want." He emphatically stressed that "we will never accept any kind of meddling in our domestic affairs because that implies a lack of patriotism."

Pinochet addressed local officials during a dinner held shortly after midnight at the municipal social club in Arica.

Pinochet, who gave an improvised speech, said that in order to have a country without extreme poverty, "we need a strong government. We cannot have a puppet regime, which is what some people in the North want. I am not talking about South American countries. There are people in the North who want puppet regimes they can boss around, and do whatever they want with. These people have found out that in Chile they will not do whatever they want. We will never accept it. We will not accept meddling in our affairs, because that would imply a lack of patriotism."

Pinochet added that "these people are doing their best to cause problems. You can rest assured that this plebiscite will demand a great deal of effort from us and a lot of money from them. They will pay thousands of pesos to get what they want. Luckily, our people are not stupid. They take the money, but they vote for whomever they want."

During his speech, Pinochet outlined all the difficulties his government has had to overcome to help the country progress. He pointed out that unity has been the key element in this endeavor.

However, Pinochet said: "Time is passing by and we are approaching a point when the people will have to decide. I am talking about the plebiscite, an event that will also require unity.

"We need the kind of unity I am talking about and not the unity through reconciliation that some people are advocating, because to them reconciliation means that we must accept everything they propose, while they do not want to accept any of our proposals."

Pinochet added that some people are taking advantage of the situation to carry out an active political campaign both in the country and abroad.

Pinochet pointed out that there are some "saviors of the Republic" who are writing letters to the "same character who helped, delivered, and encouraged the entry of weapons into Chile. That constitutes the greatest act of treason against any country."

Pinochet said that that same person "trained those who tried to kill me. When I discuss this I regretfully remember that 5 men died and 11 were wounded attempting to save my life. I cannot find the words to describe them. I can only offer them my affection and gratitude."

Hinting at the letter that Luis Fernando Luengo has sent to Fidel Castro, Pinochet said: "This scoundrel is doing nothing short of selling the fatherland. He is forgetting that there are people in Chile who do not accept him and strongly repudiate him because these people are true patriots, and not traitors like him."

Pinochet also talked about socialist leader Ricardo Lagos, without actually mentioning his name. He said that Lagos granted an interview to the daily *La Tercera* on 11 January 1987 in which he used the words "'as a Marxist leader'—mark his words—he uses the Marxist viewpoint to interpret and analyze reality. However, he feels that he is a democrat despite being a Marxist." Pinochet added: "Being a Marxist, gentlemen, is being a communist, because it means that you accept the 1848 manifesto, and if one accepts this manifesto one also accepts the principles set forth therein; in other words, one is a communist."

"Since he is bound to hear me, I will tell him once more: You are a communist, disguised as a democratic socialist." [passage omitted]

Government Junta Approves 1988 Budget

PY022220 Santiago EL MERCURIO in Spanish 25 Nov 87 p A-1, 12

[All figures as published]

[Excerpt] The Government Junta yesterday approved the 1988 public budget. The budget estimates revenues and expenses at 1,333,547,512,000 pesos, and 694,023,000 pesos in various foreign currencies converted into dollars.

This was revealed at the end of a regular session of the Government Junta presided over by General Fernando Matthei, commander in chief of the Chilean Air Force, filling in for Admiral Jose Toribio Merino, who is ill.

The 1987 budget totaled 1,000,093,000,000 pesos, and $852,827,000.

The source said that next year's budget is based on an average copper price of $0.73 a pound. The sources did not release any specific details regarding increases in spending over the 1987 level, even though they indicated there are real increases after adjusting for inflation.

The sources said the budget contemplates real increases for public works: the allocation for that sector jumped from 31,900,000,000 pesos in 1987 to 37,271,316,000 pesos in 1988; for health: allocations increased from 38,248,000,000 pesos to 48,161,424,000 pesos; and for housing: allocations increased from 24,000,000,000 pesos in 1987 to 33,453,274,000 pesos in 1988.

The budget includes 66,688,000,000 pesos for subsidies to Public Treasury special programs, comprising the National Fund for Family Subsidies and other state subsidies.

The sources said that allocations for education and national defense have not been increased. Funds for education, including the universities, subsidies for free schooling, and subsidies for care of handicapped children, amount to 148,309,338,000 pesos, equivalent to the 1987 amount of 132,000,000,000 pesos if inflation is taken into account.

The allocation for the social security sector is 290,785,661,000 pesos. The sector with the smallest allocation is the Department of National Patrimony with a budget of 614,496,000 pesos. [passage omitted]

More on Release of Lieutenant Colonel Carreno

Reports on Asylum Denied

PY032208 Santiago Domestic Service in Spanish 1600 GMT 3 Dec 87

[Text] The Chilean Embassy in Brazil has categorically denied that Lieutenant Colonel Carlos Carreno had intended to request political asylum in Brazil. Some

Brazilian news media had reported at first that Carreno had gone to Sao Paulo with the objective of requesting asylum from Brazilian authorities. This has been denied by Osvaldo Yanez, the Chilean press attache in Brasilia.

He added that immediately after entering the newspaper *O Estado de Sao Paulo* building, Carreno asked to contact Chilean diplomats in Sao Paulo. Since Raul Schmidt, the Chilean ambassador to Brazil, was in Sao Paulo on his way to Porto Alegre, he and Army Attache (Lambert Uriarte) hurriedly went to see Carreno. From that very minute, Carreno was under the protection of the Chilean Embassy in Brazil.

The fact that Carreno had never intended to request asylum is evident from the statement Carreno made to the newspaper *O Estado de Sao Paulo*, in which he affirms his loyalty to President Pinochet and to the Chilean Army.

Before dawn today, Carreno was taken to the Sao Paulo airport, where he boarded a Chilean military plane bound for Santiago.

Arrives in Santiago

PY031455 Madrid EFE in Spanish 1443 GMT 3 Dec 87

[Excerpt] Santiago, 3 Dec (EFE)—The plane that brought Colonel Carlos Carreno from Sao Paulo, Brazil, landed today just after 1100 (1400 GMT) at Los Cerrillos Airport in Santiago.

The high-ranking officer, who was released on 2 December in the Brazilian city of Sao Paulo after being held captive for 91 days by the Manuel Rodriguez Patriotic Front, was immediately taken by helicopter to the Military Hospital, where he will be given a medical examination.

Government Issues Communique

PY032202 Santiago Domestic Service in Spanish 1600 GMT 3 Dec 87

[Report from Government House by Graciela Contreras]

[Text] A few minutes ago the interior minister said that what happened to Lieutenant Colonel Carreno represents an aggression against all Chileans and that it must be taken as a warning of the seriousness of communist activities.

This remark is included in a 7-point declaration in which the government establishes its position on the issue. It states:

In view of the arrival in the country of Lieutenant Colonel Carlos Carreno, who was the victim of a serious terrorist action, the supreme government hereby states:

1. The Chilean Government and all Chilean citizens are particularly happy to see that Lt Col Carreno is alive and able to be reunited with his family, his institution, and his fellow countrymen. All of us have shared the pain of this Chilean family and we are happy to express to him today our recognition of his courage and his integrity.

Point 2 of the declaration adds:

The country has witnessed a criminal act which sought to achieve concessions that would have favored the revolutionary objectives of communism.

3. In light of this, the government has always safeguarded the general interest of the Chilean community by upholding its staunch position of refusing to negotiate with terrorists because it is aware that any transaction with terrorists is tantamount to succumbing to blackmail, to making [word indistinct] concessions, and to undermining the will of Chilean society.

Moreover, the government adopted the necessary security measures to confront the situation and protect the victim's life. In addition, the proper court has undertaken an investigation aimed at establishing those responsible and defining punishments within the law.

(?The authorities are confident) of the success of the investigations that have been carried out and those that are still pending.

Point 4 of this declaration, which was issued a few minutes ago and was read by the interior minister, states: The circumstances surrounding the solution of the case, particularly the fact that it took place in a foreign country, clearly show the level of preparation, training, and power of action that characterize Marxist extremists.

5. Moreover, it is quite evident that terrorist groups acting in Chile are true representatives of international terrorism, that they are dependent on international terrorism, and that they are part of it.

Regarding point 6, the interior minister said:

[Begin Sergio Fernandez recording] What happened to Colonel Carreno represents an aggression against all Chileans and it must be taken as a warning of the seriousness of communist activities. Moreover, this will make the nation aware that if decisive action is not undertaken in this regard by implementing (?proper measures), there is a risk that all possibility of achieving democracy either in the present or the future will be destroyed. [end recording]

In conclusion, the government reasserts that it categorically repudiates all forms of violence, that it condemns terrorism, and that it will safeguard peace and order by resorting to all the means established by the law.

Junta Member Merino Cited

PY032053 Santiago Radio Chilena Network in Spanish 1700 GMT 3 Dec 87

[Relay from Government House by Eliana Henriquez]

[Excerpt] Admiral Jose Toribio Merino today said that he favors the death penalty for the kidnappers of Colonel Carlos Carreno. The Government Junta member said the Carreno's release in Sao Paulo, Brazil, yesterday was expected.

Merino then said the fact that Colonel Carreno was taken to Brazil is not an indication of the power or capacity of the Manuel Rodriguez Patriotic Front. He added that in a country like Chile, with a border of more than 5,000 km, it is extremely easy at this time of the year, when the snow on the mountain tops is melting, to leave the country via a mountain road. Merino said the fact that Carreno was taken abroad reveals the cowardice of his kidnappers.

[Begin Merino recording] We know that these people acted in a cowardly and surreptitious manner. They are cowards and dare not take responsibility for the problems they cause with their crimes. The fact that they took him abroad is another evident sign that they dare not face [passage indistinct] They should be sentenced to death. [end recording]

When he was asked what attitude the government would adopt, the member of the legislative branch said that this would be decided later. He said that [passage indistinct] the harshest measures against those responsible. [passage omitted]

Colombia

Border Development Plan With Venezuela

PA031606 Hamburg DPA in Spanish 0031 GMT 2 Dec 87

[Text] Bogota, 1 Dec (DPA)—Colombia and Venezuela have agreed to begin a joint plan to reactivate the economy and to facilitate the supply of food in the border region.

Colombian Agriculture Minister Luis Guillermo Parra and Venezuelan Development Minister Hector Hurtado [as received] met today to establish a plan to undertake bilateral development projects in the industrial and agricultural fields to promote the economy in the two countries' border region.

Minister Parra said that they agreed on a special tariff system for the importation of powdered milk, corn meal, fish meal, and other basic food in quantities that will not exceed the border region's needs.

This plan will begin in 1988 and seeks to improve the living conditions of the residents of the border region and eliminate the problems that recently emerged because of the restrictions imposed on the marketing of food.

Pardo Leal Killers Reportedly in California

PA031454 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 2 Dec 87

[Excerpt] DAS [Administrative Department of Security] has discovered that the murders of former Patriotic Union President Jaime Pardo Leal fled to California, in the United States. Interpol has been asked to capture them and return them to our country for a trial. This information was disclosed during a criminology forum. [passage omitted]

Prosecutor Terms Ochoa Arrest 'Illegal'

PA031330 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 1 Dec 87

[Text] This is a last-minute report. (Edilberto Solis), assistant prosecutor for judicial oversight, will rule in a report he will give to the attorney general in a few minutes that Jorge Luis Ochoa's arrest was illegal.

Solis will state also that Yolanda Rico, the assistant prosecutor—also for judicial oversight—in El Valle Department who appeared when Ochoa was being arrested, was simply fulfilling her duty.

Uruguay

Sanguinetti Reports on Acapulco Summit

PY021302 Madrid EFE in Spanish 0340 GMT 2 Dec 87

[Text] Montevideo, 1 Dec (EFE)—Uruguayan President Julio Maria Sanguinetti today informed the leaders of the governing Colorado Party and the International Affairs Committees of the two legislative chambers about the results of the summit of the Group of Eight in Acapulco (Mexico). He also reported on his visit to various Central American countries.

Enrique Tarigo, Colorado Party secretary general and the Republic's vice president, reported that he talked with the chief of state about the importance of the latter's visit to the five Central American countries.

Tarigo stressed that "we can point out that the president's activities have been highly positive."

Sanguinetti also met with members of the International Affairs Committees of the Senate and Chamber of Deputies.

The Uruguayan president indicated there is the impression that there is a very firm possibility of reaching a peaceful solution through the Esquipulas II agreement in conflicts between the Sandinists and contras in Nicaragua, and the government and guerrillas in El Salvador.

According to those who participated in the meeting, Sanguinetti stressed peace must come through the strengthening and improvement of democracy, "which regretfully is so incipient in Central America."

The Uruguayan chief of state returned on the night of 30 November after visiting Costa Rica, Honduras, Nicaragua, El Salvador, and Guatemala. He then participated in the Acapulco summit with seven of his colleagues who are members of the Contadora Group and the Contadora Support Group.

PIT-CNT Disapproves of New Defense Minister

PY010250 Montevideo LA HORA in Spanish 27 Nov 87 p 7

[Text] The PIT-CNT Representative Board has released a statement disapproving the designation of General Hugo Medina, retired, as defense minister.

Here is the text of the document:

In view of the designation by the executive branch of Gen Hugo Medina, retired, as defense minister, the PIT-CNT states the following:

In response to the feelings of the great majority of workers and the people we want to state our disapproval of a measure that does not help democracy.

The suffering of 12 years of terror, torture, inprisonment, disappearances of people, and death by Uruguayan workers give us the right to demand a definitive break with the dark period of the military government.

Our permanent struggle for the consolidation and strengthening of democracy today compels us to state our position against the executive branch resolution.

We believe that democracy provides solutions to [the problems of] the appropriate level of salaries and pensions, to the right to a home, to proper health care and education, but also to justice. This is why we are gathering signatures for the referendum against the Full Stop Law.

We do not think this designation considers our people's cry for justice. On the contrary, it connects the democratic present to a past to which we do not want to return.

Montevideo, November 24, 1987.

PIT-CNT Representatives Board.

Suriname

Front Leaders To Discuss Brunswijk Issue

FL032017 Paramaribo International Service in English 1730 GMT 3 Dec 87

[Text] The leaders of the NPS [National Party of Suriname], VHP [Progressive Reform Party], and KTPI [Indonesian Peasants Party] are meeting today to discuss a number of questions in which they need to take a joint standpoint as the Front for Democracy and Development. Our newsroom was unable to get information on the agenda yesterday but VHP leader Jaggernath Lachmon said that the Brunswijk question would be included.

Ronny Brunswijk, who heads the so-called jungle commando said after last week's elections that he is willing to negotiate with the front which will form the new government. He also said that he will lay down arms until January 1st to make contacts with the front possible. The political leaders of the coalition are however still tight-lipped on this question.

Brunswijk Gang Members Released From Prison

FL022236 Paramaribo International Service in English 1730 GMT 2 Dec 87

[Text] Approximately 20 people who were imprisoned by the military police in relation to terrorist activities were released yesterday afternoon by the Attorney General's office. These people have been in prison for almost 1 and 1/2 years in Fort (Zeelandia?). They were set free after being taken before Solicitor General (Paul Shaksee) and head officers of justice Punwasi and (Roveidad Lat). Major (Leeuwinti), commander of the military police, stated that was the last group of Brunswijk Gang members who were held at the Fort.

Elected Military Authorities Discussed

FL032000 Paramaribo International Service in English 1730 GMT 3 Dec 87

[Text] The decision to form the military authority through elections was taken by Commander Bouterse. Air Force Commander (Abiju), who is also chairman of the Army elections office, said that the commander opted for this procedure because of the current trend of democracy and elections. Military Police Commander (Liby Antai), who is also a candidate for the military authority, told reporters that the process of electing has an advantage over appointing members to the military authority. (Liby Antai) said through elections the military authority will have a broader base. The military authority will have five members and two substitutes, who will be appointed commanders. The military authority is a political organ which, according to the Constitution, will also be represented at the State Council.

NOTES